



STATE OF DELAWARE

**OFFICE OF AUDITOR OF ACCOUNTS**

**R. THOMAS WAGNER, JR., CGFM, CFE**  
AUDITOR OF ACCOUNTS

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February 2, 2005

Dr. Joseph Wise  
Superintendent  
Christina School District  
83 E. Main Street  
Newark, DE 19711

Dear Dr. Wise:

The Office of Auditor of Accounts (AOA) has completed its investigation of allegations received through the Auditor's HOTLINE. The following paragraphs detail the results of our review.

**ALLEGATIONS**

1. The Christina School District has been overstating enrollment of Special Education students in order to obtain additional funding.
2. The District filed false documents.

Based on the results of our review, we found that the allegations were not substantiated. However, as a result of our review we identified discrepancies in the District's records.

**BACKGROUND**

On January 20, 2004, Ms. Barbara J. Mooney, Auditor III, and Ms. Joyce Pickett, Auditor II, met with Mr. David Sundstrom, Assistant Superintendent, Ms. Sarah J. Farr, Director of Special Education, and Ms. Deborah Rodenhouser, Executive Director, Education Options & Student Services, to discuss the allegations.

**SCOPE AND METHODOLOGY**

Our investigation included a review of Special Education student files, attendance records, and other records maintained by the schools, the District, and the Department of Education. The periods reviewed were school years 2002 and 2003.

We conducted reviews at the following schools:

Henry M. Brader Elementary School  
Brookside Elementary School  
William B. Keene Elementary School  
May B. Leasure Elementary School  
Thurgood Marshall Elementary School (review not completed)  
West Park Place Elementary School  
Gauger-Cobbs Middle School  
George V. Kirk Middle School  
Christiana High School  
Glasgow High School  
Newark High School

During the course of our review, the auditors conducted a number of interviews with Ms. Martha A. Brooks, Ed.D., Director of the Exceptional Children and Early Childhood Group of the Department of Education, and her staff.

In addition, the auditors met on numerous occasions with Ms. Sarah Farr, Director, Special Education, and the Educational Diagnosticians at each of the schools reviewed.

The Office of Auditor of Accounts discontinued the 100% review of all school's on June 10, 2004, since we were unable to substantiate the allegations after reviewing eleven schools.

## **REVIEW RESULTS**

Our review was conducted to determine whether the District reported the correct number of eligible students to the Department of Education (DOE), in accordance with the following statutes and regulations:

- Delaware Department of Education's, "The Administrative Manual for Special Education Services" (revised August 17, 2000).
- 14 Del. C., and
- Delaware Department of Education's "A summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30 Enrollment and Unit Computation".

State appropriations are provided to school districts based primarily on the number of students enrolled in the district, commonly referred to as the "September 30<sup>th</sup> unit count". Annually, on September 30<sup>th</sup>, the number of students who are registered and attending school in each district are counted. Each student is classified into one of the predetermined classifications adopted by the Department of Education. Each classification has a "divisor" assigned. The number of students in each classification is divided by the divisor and the resulting figure is the number of units for which the district is entitled to receive funding. Based on our review, we identified the following discrepancies:

For the September 2003 unit count, we identified seven students that were not eligible to be included in the unit count due to the student's files not being in compliance with Department of Education policies, and three students who were classified in the incorrect disability category. Attachment 1 contains the detail associated with the discrepancies we identified.

For the September 2002 unit count, we identified fifteen students that were not eligible to be included in the unit count due to the student's files not being in compliance with Department of Education policies, and two students who were classified in the incorrect disability category. Attachment 2 contains the detail associated with the discrepancies we identified.

The AOA provided the DOE with the detailed information relative to the discrepancies we noted in order for the DOE to determine whether or not the discrepancies impacted the number of units generated by the District. As a result, the DOE determined that the District would lose the following units:

**2003-2004 School Year**

One Learning Disability Unit – equates to **\$56,658** based on the following:

Division I	\$46,663
Division II	\$ 4,929
Division III	<u>\$ 5,066</u>
Total	<b>\$56,658</b>

**2002-2003 School Year**

One Learning Disability Unit, One Physically Impaired Unit, and 1 Hard of Hearing, Partially Deaf Unit – equating to **\$166,941** based on the following:

Division I	\$45,714
Division II	\$ 4,929
Division III	<u>\$ 5,004</u>

Total per unit: \$55,647

Times 3 units: **\$166,941**

The DOE provided computations relative to the adjustment in units for the applicable years. See Attachment 3.

**RECOMMENDATIONS**

**WE RECOMMEND THAT** the Christina School District:

1. Contact the Department of Education to determine the method of repayment for the adjusted units.
2. Maintain Special Education student records in accordance with Department of Education policies and procedures.

**WE FURTHER RECOMMEND THAT** the Department of Education plan for closer monitoring of the Christina School District's Special Education student files for the upcoming school year.

On January 31, 2005, Mr. R. Ronald Draper, Chief Administrative Auditor, and Mr. Edward L. Watson, Administrative Auditor, met with Mr. David Sundstrom, Assistant Superintendent/ Chief of Staff, Ms. Thresa Giles, Assistant Superintendent/ Chief Financial Officer, Ms. Sarah Farr, Director of Special Education, Ms. Charlotte Mayew, Specialist, Education Options, and Ms. Deborah L. Rodenhouser, Executive Director, Education Options & Student Services, to discuss the findings and recommendations contained within this report.

Dr. Joseph Wise  
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**AUDITEE'S RESPONSE**